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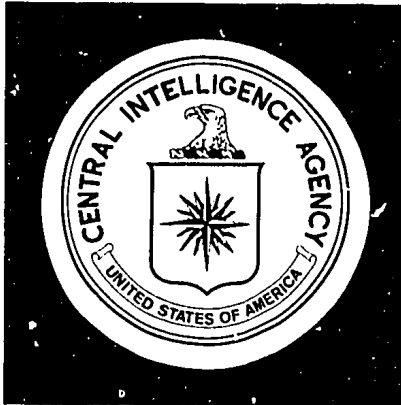
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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*Romania: A Maverick Marches On*

State Dept. review completed

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# **ROMANIA: A Maverick Marches On**



Romanian party and state chief Nicolae Ceausescu gives every indication that he is in firm control of the country. Despite a flurry of vague reports that he faced serious problems earlier this year, Ceausescu emerged from a national party conference in July stronger than ever. There is no evidence that he is under challenge by any cohesive group, and it is indeed doubtful that anyone could present a viable alternative to his leadership at this time.

Ceausescu, who in the summer of 1971 angered his Warsaw Pact allies by a trip to China and who is confronted with foreign trade problems, has softened the tone and style of Romanian foreign policy. He has become more openly cooperative with his allies, particularly the Russians, though not at the price of compromising the basic principles of his regime's independent course in world affairs. Even when he has seemed to bend most, he has either gained satisfactory safeguards or has balanced his stance with actions calculated to displease Moscow.

As he approaches his eighth anniversary as party secretary general, Ceausescu is not without his points of potential vulnerability. Romania's economic situation, and particularly its indebtedness to the West, already seems to be affecting his freedom for maneuver. He has tried to buy time by promising that the country will have achieved a more favorable foreign exchange position by 1974, and he has tried to create the managerial efficiency he will need to achieve this by "recycling" personnel between the party and the state in an effort to arrive at a correct mix of political and economic expertise. His vulnerability will, of course, be increased if he fails in either of these immense tasks. Another point of potential vulnerability is the personality cult that is growing up around him.

As Ceausescu looks to the future, he projects confidence. He is convinced that he has Romania on the correct domestic and foreign courses and that he personally controls all the major levers of power. Although this carries with it a high degree of personal accountability—a fact increasingly stressed within party and state ranks—Ceausescu appears to believe he and the Romanians have the answer.



Ceausescu

### The Party Leadership

The policy differences that have long troubled Romanian-Soviet relations were dramatized during the late summer and early fall of 1971, when Romania found itself caught in a sudden crossfire of criticism from its Warsaw Pact allies. Not only had Ceausescu gone off to Peking in June, but while there he had failed to defend Moscow against Premier Chou's slashing attacks on the Soviet Union. Bucharest aroused additional ire in Moscow by refusing to participate in joint maneuvers of Warsaw Pact forces in Bulgaria.

By late September, however, charges of a looming "anti-Soviet, pro-Peking" axis in the Balkans had all but died out, and the Warsaw Pact maneuvers had degenerated into a Bulgarian national exercise. Brezhnev's subsequent visit to



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Belgrade seemed to signal the gradual adoption by the pact of a mere forthcoming stance toward both Bucharest and Belgrade. For their part, the Romanians pulled in their horns a bit, but the shifts were more in style than in substance.

At this time, reports of differences in the Romanian hierarchy began to make the rounds. The reports were vague and contradictory and there is no evidence of any cohesive or identifiable faction challenging Ceausescu's firm control. Indeed, the Romanian party hierarchy has not been troubled by factionalism since 1957.

While top party and government leaders may now express more differences of opinion than in the past, these are not crucial, but rather seem to reflect conflicting judgments on tactics and timing with respect to various problems. Moreover, individuals who express dissenting opinions vary from issue to issue. To the extent that differences exist, they probably limit Ceausescu's maneuverability on economic questions more than on foreign policy.

The cult of personality gathering around Ceausescu has been cited as prompting differences within the leadership. Though not now of serious dimension, the cult could become an explosive issue. A vain man, puritan in his personal habits, Ceausescu is, on the evidence, unwilling or unable to resist having himself put forward as the "fairest of them all." With the possible exception of the Western-educated and highly able Premier Maurer and the politically shrewd deputy premier, Niculescu-Mizil, Ceausescu towers over all other members of the leadership. In some respects, he resembles Michael the Brave, a Wallachian prince of the 16th century widely remembered for his political and military acumen.

There have been a number of personnel reshuffles in recent years and this has added fuel to speculation about disunity at the top.

When he came to power in March 1965, Ceausescu was, at 47, the youngest party first secretary in Eastern Europe, and he still is. The leadership he inherited from his predecessor, Gheorghiu-Dej, was composed not only of men

nearly ten years older than Ceausescu, but one that he had had only a slight role in selecting.

Since then, Ceausescu has gradually but insistently been consolidating his power. He has retained a few officials such as Maurer who although nearly 70 and close to retirement remains Bucharest's most effective and knowledgeable specialist in foreign affairs. He has also kept on 68 year-old Emil Bodnaras, knowledgeable in military affairs, a trouble shooter, and a liaison man with parties as dissimilar as the Chinese and the Yugoslav. Otherwise, the composition of the hierarchy has changed considerably since the party congress of July 1965, Ceausescu's first as top man. Of the nine-member party secretariat elected at that time, only Manea Manescu remains, while Bodnaras and Maurer are the sole holdovers on the nine-man Permanent Presidium (Politburo). Only seven of 25 original full members remain on the Executive Committee established by the 1965 congress.

If any pattern is discernible from these personnel shifts, it is that they reflect Ceausescu's desire to control the levers of power and to be surrounded by people of his own choice. At the same time he is looking for the best "mix" of political and economic expertise. Last April, he advised: "The comrades should go through different offices. In this way, leading cadres will take shape who are able to understand and solve the more and more complex problems raised by life and by the government of today's society."

This view—repeated at the recent party conference—is in part an effort to keep his colleagues off balance, but it is considerably more than that. Ceausescu has managed to "recycle" personnel between party and state agencies without incurring visible resentment. He has succeeded mainly by easing older comrades out of their posts, a practice he is expected to continue. In their places, he has generally appointed younger, better educated individuals who have technical skills but little political clout.

#### The Five-Year Plan

Prior to the party conference, Ceausescu called for completion of the current five-year

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## Faces in the Future Leadership

### Janos Fazekas



Age: 46  
 Title: Deputy Premier  
 Member: Executive Committee  
 Responsibility: National Minorities and special assignments  
 Remarks: An ethnic Hungarian, who is considered one of Ceausescu's closest advisers, Fazekas is energetic and clever and has a sense of humor. He also shows obvious goodwill toward the US.

### Ion Stanescu



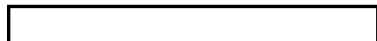
Age: 43  
 Title: Minister of Internal Affairs  
 Member: Alternate member of the Executive Committee  
 Responsibility: Although he was not involved in intelligence work until 1967, Stanescu became head of the revamped Ministry of Internal Affairs in April 1972.  
 Remarks: His manner suggests both power and energy.

### Cornel Burtica



Age: 41  
 Member: Secretariat  
 Responsibility: A former Minister of Foreign Trade, Burtica reportedly now is responsible for press information. He also takes on special assignments.  
 Remarks: Burtica has traveled widely and is a loyal exponent of Ceausescu's policy of economic independence. He also appears well-disposed to the West.

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plan in "four and one-half years." Speculation about disunity, however, emerged when his conference address hedged his position by calling for fulfillment of the current plan "in less than five years." Some claim that this semantic variation was a concession to strong internal opposition, but available evidence suggests that external rather than internal considerations were influential.

Both the British and American embassies in Bucharest have commented that Moscow believed Ceausescu's desire to fulfill the plan in four and one-half years would have a disruptive effect on CEMA and the plans of CEMA members. The British ambassador reported in early July that Soviet diplomats were saying they found it difficult to understand how the Romanians would be able to fulfill their plan ahead of schedule in view of their dependence on Soviet iron ore and coke. The Soviets pointed out that they saw no reason to succumb to Romanian pressure to deliver five years' supply in four and one-half years—something they could only accomplish by reducing supplies to other CEMA members or by disrupting their own production schedule.

After the CEMA session in Moscow in early July, the American Embassy in Bucharest heard reports that the other CEMA members had severely criticized Bucharest's proposal to revise its plan. They pointed out that all plans are coordinated and that Romania could not expect its CEMA suppliers to accelerate their production requirements to satisfy shifting Romanian raw material needs.

#### **Economic Problems**

It was against this background that the national party conference—the most important political event since the party congress in August 1969—met in Bucharest on 19-21 July. The conference confirmed such Ceausescu policies as rapid industrialization, economic self-sufficiency, and closer trading links with the West. The conference approved his program for socio-economic development for the next two decades.

Nothing in the program is new, except for structural changes in several party and state economic bodies, but Ceausescu did call for a number of economic measures—such as higher pensions, modest salary increases, and expanded consumer services—suggesting that he is sensitive to the irritants behind Gomulka's demise and interested in broadening his base of popular support. These measures were balanced by emphasis on increasing productivity and exports.

When he stressed the need to increase exports so that Romania can achieve "foreign exchange equilibrium at least by 1974," Ceausescu addressed a problem that is not only serious for the country but one that gives Moscow leverage on Bucharest. Ceausescu's freedom of maneuver in domestic and foreign affairs already appears to have been affected, as he has begun to feel the pinch of growing hard-currency indebtedness. That indebtedness, about \$900 million in 1970, exceeds that of any other Eastern European country. Servicing of the debt—in repayments and interest—already eats up a large share of Romanian exports to the industrial West (about two fifths of the total during 1968-70).

Ceausescu has not been happy about the performance of the economy since the first of the year and has fired a few officials accused of corruption. Despite his attacks on inefficiency, one important contradiction remains: more efficiency would seem to require more individual responsibility; this in turn demands greater power and freedom of action—which in a planned economy conflicts with the party's over-all control. If anything, the recent party conference called for an even greater party role.

#### **An "Unreformed" Economic System**

Unlike its Eastern European allies, Romania has not promulgated an economic reform, largely because Ceausescu is alive to the political connotations of these "reforms." He has preferred to operate through a set of directives for the "perfection" of management and planning. These directives, first approved in 1969, tried to grapple



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## Romania: Changes in Leading Party Bodies Since Ninth Party Congress, July 1965

## Permanent Presidium (Established July 1965)

July 1965	September 1972	Date elected	Estimated career status
Age	Age		
47 CEAUSESCU, N., Chmn.	54 CEAUSESCU, N.	7-65	
52 APOSTOL, G.	43 PANA, G.	8-69	
54 BIRLADEANU, A.	58 RADULESCU, G.	8-69	
61 BODNARAS, E.	68 BODNARAS, E.	7-65	
52 DRAGHICI, A.	46 TROFIN, V.	4-68	
63 MAURER, I.G.	70 MAURER, I.G.	7-65	
57 STOICA, C.	51 VERDET, I.	6-66	
	49 NICULESCU-MIZIL, P.	6-66	
	56 MANESCU, M.	2-71	

## Secretariat

47 CEAUSESCU, N., Gen. Sec	54 CEAUSESCU, N.	7-65	
48 DALEA, M.	41 ANDREI, S.	4-72	
52 DRAGHICI, A.	46 BANC, I.	4-72	
49 MANESCU, M.	60 MANESCU, M.	7-65	
51 MOGHIOROS, A.	41 BURTICA, C.	2-72	
42 NICULESCU-MIZIL, P.	50 DINCA, I.	4-72	
40 PATILINET, V.	52 GERE, M.	6-66	
55 RAUTU, L.	43 PANA, G.	8-69	
39 TROFIN, V.	44 POPESCU, D.	12-68	

## Executive Committee (Established July 1965)

## Full members

47 CEAUSESCU, N.	54 CEAUSESCU, N.	7-65	
52 APOSTOL, G.	54 BERGHIANU, M.	6-66	
59 BORILA, P.	68 BODNARAS, E.	7-65	
61 BODNARAS, E.	47 CIOARA, G.	4-72	
52 DRAGHICI, A.	55 DANALACHE, F.	12-67	
43 DRAGAN, C.	50 DRAGAN, C.	7-65	
54 BIRLADEANU, A.	54 DRAGANESCU, E.	8-69	
51 MOGHIOROS, A.	46 FAZEKAS, J.	12-67	
50 SALAJAN, L.	50 LUPU, P.	12-68	
63 MAURER, I.G.	56 MANESCU, M.	12-68	
42 NICULESCU-MIZIL, P.	70 MAURER, I.G.	7-65	
55 RADULESCU, G.	49 NICULESCU-MIZIL, P.	7-65	
55 RAUTU, L.	43 PANA, G.	8-69	
57 STOICA, C.	44 POPESCU, D.	8-69	
65 VOITEC, S.	58 RADULESCU, G.	7-65	
	62 RAUTU, L.	7-65	
	72 STOICA, G.	12-68	
	46 TROFIN, V.	4-68	
	51 VERDET, I.	6-66	
	62 VILCU, V.	10-66	
	72 VOITEC, S.	7-65	

## Alternates

39 BANC, I.	48* BABALAU, C.	2-71	
42 BLAJOVICI, P.	46 BANC, I.	7-65	
58 COLIU, D.	50 BLAJOVICI, P.	7-65	
43 BERGHIANU, M.	41 BURTICA, C.	4-72	
44 GERE, M.	55 CONSTANTINESCU, M.	3-70	
50 DANALACHE, F.	52 GERE, M.	7-65	
39 FAZEKAS, J.	55 DALEA, M.	3-70	
43 LUPU, P.	48* DOBRESCU, M.	8-69	
40 VERDET, I.	49 DUCA, A.	8-69	
55 VILCU, V.	42 ILLIESCU, I.	8-69	
	48 IONITA, I.	8-69	
	46 PATAN, I.	4-72	
	47 PATILINET, V.	8-69	
	43 STANESCU, I.	8-69	
	52* TELESU, M.	2-71	
	60* UGLAR, I.	2-71	
	45* WINTER, R.	2-71	

\*Estimated

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with not only the excessive centralism of the planning system but also the old patterns of industrial organization and investment as well as price and wage formation. Specifically, they called for some decentralization and a carefully spelled out fusion of some party and state managerial functions.

The directives have not worked well because of three fundamental dichotomies they introduced into Romania's economic development:

- a. Central authorities and decentralized decision-making.
- b. Central economic planning and the use of open-market forces in price formation.
- c. Emphasis on heavy industry and insistence on consumer goods.

These dichotomies are compounded by Ceausescu's style of leadership. He is reluctant to delegate responsibility. He intervenes directly with the lower levels of the administration. He operates without having set up channels for the flow of accurate information. Above all, he insists on primacy of the party. All of this has complicated the execution of a coherent policy of decentralization.

Nonetheless, the party conference in August 1972 decided to keep trying. The "perfection" program is to be kept going until 1973. The extension followed Ceausescu's strong complaint about excessive centralization in the work of the economic ministries. But he also spoke of "the ever more powerful affirmation of the leading role of the party" in "perfecting the management and planning of the whole society."

#### A Common Problem

In important respects, Ceausescu's problem is fundamental to all Eastern European regimes: How can economic power be redistributed without weakening the party's monopoly of control? For all its merits, decentralization has meant tremendous headaches for the Yugoslav leaders, yet Ceausescu is also mindful that too much stultifying centralism, as in Gomulka's Poland, is as bad or worse.

Reform of the power structure is one of the most delicate and dangerous moves for a Communist leadership to undertake. The object of the "reform" exercise in Eastern Europe is to try and establish who is responsible for what, and then give them sufficient power to carry out decisions. Hungary and Yugoslavia have tried to do this by separating the party from the government and limiting the party's interference in the economy. Ceausescu has tried to clarify lines of responsibility by combining party and state jobs. Neither effort has been wholly successful.

Against this background, two other economic policy issues are likely to cause differing opinions within the leadership: Should efforts to accelerate the development of heavy industry be continued by seeking increased Western technology and credits? Should Bucharest cooperate more closely with CEMA? Ceausescu himself clearly favors the development of heavy industry, with a small increase in consumer goods, and, of necessity, small increases in trade and cooperation with CEMA members, particularly the USSR.

These stands reflect a maxim central to Ceausescu's over-all policy, namely, that maneuverability in foreign and domestic affairs hinges heavily on reduced economic dependence on the Soviet Union. Because of growing hard-currency indebtedness, however, Ceausescu may sometimes find it difficult to maintain his maneuverability at home and abroad. For example, Bucharest's relative inability to put its trade with the West on a firmer footing probably increases the pressure to cooperate more closely with CEMA and to redirect more of Romania's trade back to CEMA (read the USSR).

Still, his is the pre-eminent voice, and the more positive tone he has struck in conversations with high-level Western visitors confirms this. The more positive tone may also reflect a belief that as long as the Western countries are competing to promote trade with Eastern Europe, they will continue to grant larger credits—and probably some refinancing—to Romania. To the extent that the West pursues this line, Ceausescu gains time for further economic development. He can disarm

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his critics by selective increases in trade with CEMA and "all socialist countries," often a Romanian euphemism for China.

The acquisition of needed Western expertise and equipment is made more difficult by the size of the debt he has already run up in the West. Ceausescu's references to achieving financial equilibrium by 1974 suggest that he recognizes he needs time to resolve Romania's economic problems and disarm his critics at home and abroad. In making personnel shifts and in calling for new legislation, he seems intent on broadening his popular support by rooting out corruption on one hand and by stressing accountability on the other. In setting out a new "Law on Social and Economic Development," "unanimously" approved at the party conference, he is underscoring Romania's inalienable right to work out its own national plans and its opposition to "supranational economic integration" within CEMA. Because the law established a Supreme Council for Economic and Social Development with Ceausescu as its chairman, it also accentuates the "presidential" character of the regime and the personality cult around Ceausescu.

### Foreign Policy

For nearly a decade, Romania's major foreign policy objective has been to assert and to demonstrate that it is an independent sovereign state with the right to conduct its domestic and foreign affairs free of outside interference. Because Romania has an 830-mile-long border with the USSR and is a member in the Soviet alliance system, Bucharest has had to tailor its independence course to levels of Soviet tolerance as it has perceived them.

Although this has involved taking risks that could have affected the unity of the leadership, the Romanians appear to have passed such tests with a minimum of trouble. There is no evidence that any of his principal colleagues oppose Ceausescu on foreign policy, including China. His most conciliatory stance toward Moscow since the first of the year suggests Ceausescu's belief that his trip to Peking had come dangerously close to provoking an irrational reaction from Moscow.

On the other hand, in his long foreign policy report to the party conference, as well as other recent actions, he upheld all the major tenets of the Romanian course.

Ceausescu appears more interested than ever in pursuing that course. In recent months he has put on a greater show of responsiveness to the Soviets and the Warsaw Pact. This has included permission for a small convoy of Soviet non-combatant vehicles to cross Romania in March and somewhat closer relations with CEMA. Ceausescu evidently reasons that by making controlled concessions on the least thorny issues, he can undercut any potential domestic or Soviet pressure for increased give on more important military, political, or economic questions.

Bucharest's closer cooperation with the bloc institutions, Ceausescu's participation in this year's Crimean summit, and his later private talks with Soviet party chief Brezhnev point to a measured improvement in Romanian-Soviet relations. These also convey at least a qualified endorsement of the Romanian leader's policies by the Kremlin. Such actions may, therefore, have the added effect of buttressing Ceausescu's position against domestic critics.

Although Bucharest's interest in the European Communities and the International Monetary Fund does not please Moscow, the Romanians apparently continue to believe that these many-sided foreign policy initiatives best serve their interests. Indeed, their preoccupation with the establishment of a permanent secretariat during the early phases of a Conference on European Security reflects their search both for institutional security and legitimacy. There is, however, a real and immediate reason for the Romanian opening to the West. They need Western knowledge and Western money. Indeed, in recent months the Romanians have sometimes seemed almost feverish in their search for more Western credits. Although they are quite capable of crying wolf, they have displayed increasingly serious and genuine concern about the need for expanded Western credits.



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Visiting in Moscow, 1967: Kosygin, Brezhnev, Maurer, Ceausescu

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For their part, the Soviets may be waiting for the Romanians to trip themselves on their own economic rope. [redacted] Moscow is purveying the line to some of its Romanian contacts that Bucharest's "opening to the West" has not paid off. The implicit message has seemed to be that some of those around Ceausescu should enlighten him on the advantages of closer cooperation with CEMA. The Soviet Embassy's political counselor has repeatedly sounded out US diplomats about the Romanian economy and Romanian requests to the US for medium- and long-term credits. Soviet news media, which customarily show little or no interest in Ceausescu's foreign travels, promptly pounced on the cancellation in May of a visit to West Germany, one of Romania's major creditors.

Ceausescu's decision to postpone trips to West Germany and to Japan may have been the result of a gamble that he took and lost. Economic aspects probably played the key role in the cancellations. Ceausescu evidently made the visits contingent on successful pre-trip negotiations for increased credits and debt rescheduling from Bonn and for a \$200-million loan from Tokyo. These and subsequent negotiations failed, but past Romanian practice suggests that Ceausescu calculated he was no worse off for having made the try. If he had won, he would have both additional credits and increased freedom of

maneuver against internal critics and Moscow alike. The alternative would be closer ties to CEMA, with the potential restraints they could pose to Romanian independence.

The improvement in Romanian-Soviet ties has led to better relations with the other Warsaw Pact countries. Kadar's trip to Bucharest in February, Honecker's visit in May, and Zhivkov's talks with Ceausescu this summer did not resolve all bilateral differences, but they did contribute to an improved atmosphere. By so doing, these visits complemented Soviet policy, which finds it useful—if only for cosmetic purposes—to demonstrate unity as preparations for a European security conference go forward. Despite his show of cooperation with his allies, Ceausescu is still spirited in his defense of the ideology behind his nationalist policies and of his interpretation of the proper relationship between Communist parties. A new proposal, that all socialist countries should join Romania in redefining the principles which should govern their mutual relations, will not be welcome in Moscow. It does, however, have unanimous appeal within the Romanian hierarchy.

Ceausescu's relations with his Balkan neighbors, especially Yugoslavia, are being developed with Moscow in mind. He would like to see closer cooperation among all Balkan countries, and he has called for a meeting of Balkan countries to discuss not only a Balkan zone of peace, but future political and economic cooperation, including "joint production." At this point, Yugoslavia is Romania's closest Balkan ally. Romanian-Yugoslav relations, which look at times like an "alliance of convenience," have as their driving force a mutual fear of Moscow's hegemonistic tendencies. Tito and Ceausescu share a further conviction that all Communist parties are equal and that every nation is the master of its own house.

Frequent consultations between Tito and Ceausescu and their representatives—Premier Maurer, for example, met in September in Belgrade with Premier Bijedic—underscore this close cooperation. In addition, trade between the two countries increased more than fourfold during



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1960-70, and prospects through 1975 are even brighter. The two countries also have an agreement on small-arms manufacture, the joint production of jet fighter aircraft, and future joint production of light weapons.

The Romanians have also made a concerted effort to develop political leverage from improved relations with the West. Thus, Ceausescu gives the impression of counting on good relations with Western Europe, and especially with the US, to provide him psychological insurance against Soviet designs. He hopes that these efforts have progressed to the point where Moscow would find it too costly to launch any radical punitive action against his regime. He is probably right that the exchange of presidential visits between Romania and the US, and indeed all high-level Romanian-US exchanges, have helped to strengthen Romania's position vis-a-vis the USSR. Ceausescu recognizes the political realities of Romania's membership in Soviet-dominated institutions, one of which is that there is much more give in his ties with Washington than in those with Moscow.

Even so, Bucharest has generally taken moderate positions on such sensitive topics as the US role in Vietnam.

### The Outlook

Throughout his career as party chief, Ceausescu has demonstrated that he is a skilled, tough, and resourceful politician who is constantly looking toward the future. Although prudent by nature and necessity, he has repeatedly shown a facility for sensing when it is necessary to take risks. Despite Romania's economic problems, which are troublesome but not critical, Ceausescu's recent actions clearly suggest that he faces the future with confidence.

On balance, Ceausescu can be expected to remain firmly committed to the nationalistic "catch-up" economic philosophy laid down in 1962-63 by Gheorghiu-Dej. The intent of this philosophy is to insert Romania as much as possible into the mainstream of Western Europe and to reduce the East-West economic gap by

Tito arrives in Romania, November 1971

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importing Western technology. The essential task facing Ceausescu's leadership thus seems to be the steadfastness of Romania's present generation of Communist leaders. Perseverance must embody the capacity to keep the economy moving ahead while resisting the corrosive effect on ideology posed by increased contacts with the West. These

tasks will genuinely challenge the political and economic team that Ceausescu is assembling, but the odds are that the Romanians will confound those who doubt their capacity for innovation and measured success within the Soviet alliance system.

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Ceausescu with Mao in Peking

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